

170438



March 13, 2006

Mr. Charles Terreni
Chief Clerk/Administrator
South Carolina Public Service Commission
101 Executive Drive
Columbia, SC 29210

RE: SCPSC Docket No. 2006-1-E
PEC's First Discovery Request

Dear Mr. Terreni:

Enclosed for filing is PEC's First Discovery Request to Nucor Steel – South Carolina.

Yours very truly,

A handwritten signature in black ink, appearing to read 'Len S. Anthony', written over a large, stylized checkmark.

Len S. Anthony
Deputy General Counsel-Regulatory Affairs

LSA:mhm

Enclosure

cc: Mr. John Flitter

232112



March 13, 2006

Garrett A. Stone, Esquire
Brickfield, Burchette, Ritts & Stone, PC
1025 Thomas Jefferson Street, NW
8th Floor West
Washington, DC 20007

Re: SCPSC Docket No. 2006-1-E
PEC's First Discovery Request

Dear Garrett:

Enclosed is Carolina Power & Light Company's d/b/a Progress Energy Carolinas, Inc. First Discovery Request to Nucor Steel - South Carolina ("Nucor") in the above-referenced docket. Please provide Nucor's responses to PEC no later than April 15, 2006.

Sincerely,

A handwritten signature in black ink, appearing to read 'Len S. Anthony'.

Len S. Anthony
Deputy General Counsel-Regulatory Affairs

LSA:mhm

Enclosures

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**SOUTH CAROLINA
PUBLIC SERVICE COMMISSION**

DOCKET NO. 2006-1-E

In the Matter of)	
)	
Annual Review of Base Rates of)	Progress Energy Carolinas, Inc.'s
Carolina Power and Light Company)	First Discovery Request To
d/b/a Progress Energy Carolinas, Inc.)	Nucor Steel – South Carolina

Carolina Power & Light Company d/b/a Progress Energy Carolinas, Inc. ("PEC"), by and through its legal counsel, hereby submits this First Discovery Request to Nucor Steel – South Carolina ("Nucor"). Kindly forward to the undersigned on or before April 15, 2006, your responses to the following discovery request:

DEFINITIONS

The following definitions apply throughout the discovery request and are deemed to be incorporated therein:

A. "Document" means all written, recorded or graphic matters, however produced or reproduced, pertaining in any manner to the subject of this proceeding, whether or not now in existence, without limiting the generality of the foregoing, all originals, copies and drafts of all writings, correspondence, telegrams, notes or sound recordings of any type of personal or telephone communication, or of meetings or conferences, minutes of directors or committee meetings, memoranda, inter-office communications, studies, analyses, reports, results of investigations, reviews, contracts, agreements, working papers, statistical records, ledgers, books of account, vouchers, bank checks, x-ray prints, photographs, films, videotapes, invoices, receipts, computer printouts or other products of computers, computer files, stenographer's notebooks, desk calendars, appointment books, diaries, or other papers or objects similar to any of the foregoing, however denominated. If a document has been prepared in several copies, or

additional copies have been made, and the copies are not identical (or which, by reason of subsequent modification of a copy by the addition of notations, or other modifications, are no longer identical) each non-identical copy is a separate "document."

B. "And" or "or" shall be construed conjunctively or disjunctively as necessary to make the requests inclusive rather than exclusive.

**DISCOVERY REQUEST TO
NUCOR STEEL – SOUTH CAROLINA**

1. If Nucor intends to present a witness in this proceeding, please identify the witness and state the number of clients for which such witness currently provides advice or consulting services regarding natural gas: purchasing; use; and/or acquisition, or any other matters associated with natural gas. Also please state the number of clients since 2002 he has provided advice or consulting services regarding natural gas: purchasing; use; and/or acquisition, or any other matters associated with natural gas.
2. For each company or person for which such witness currently provides advice or consulting services regarding natural gas: purchasing; use; and/or acquisition, or any other matters associated with natural gas, please provide the following:

the monthly volumes purchased and prices paid for natural gas during the most recent 18 months and the average forecasted monthly volumes and prices for natural gas for the next two years;

PEC is not requesting the identity of the client. The information can be provided in the format of: Client A; Client B; etc.

3. Please state the number of clients for which such witness currently provides advice or consulting services regarding coal: purchasing; use; and/or acquisition, or any other matters associated with coal. Also please state the number of clients since 2002 he has provided advice or consulting services regarding coal: purchasing; use; and/or acquisition, or any other matters associated with coal.
4. For each person or company for which such witness currently provides advice or consulting services regarding coal: purchasing; use; and/or acquisition, or any other matters associated with coal, please provide the following:

the monthly volumes purchased and the prices paid for coal during the most recent 18 months and the average monthly forecasted volumes and prices for coal for the next two years;

PEC is not requesting the identity of the client. The information can be provided in the format of: Client A; Client B; etc.

5. Please provide all information available to or in the possession of such witness regarding the coal and/or natural gas prices paid by electric utilities in the southeast during the past five years.

6. If Nucor purchases natural gas, please provide the following:

the monthly volumes and prices paid for natural gas during the most recent 12 months, and the forecasted monthly volumes and prices anticipated to be paid for the next two years;

7. If Nucor purchases coal, please provide the following:

the monthly volumes and prices paid for coal during the past 12 months, and the monthly forecasted volumes and prices anticipated to be paid for the next two years;

8. For each person or company for which Nucor's witness provides any type of natural gas consulting services or advice, please state the percent increase in natural gas prices experienced by each client over the last three years, by year, and the forecasted changes in natural gas prices over the next two years.
9. Please state the percent increase in natural gas prices experienced by Nucor over the last three years, by year, and the forecasted changes in natural gas prices over the next two years.
10. For each person or company for which Nucor's witness provides any type of coal consulting services or advice, please state the percent increase in coal prices experienced by each client over the last three years, by year, and the forecasted changes in coal prices over the next two years.

11. Please state the percent increase in coal prices experienced by Nucor over the last three years and the forecasted changes in coal prices over the next two years.
12. For each person or company for which Nucor's witness provides any type of natural gas consulting services or advice, please describe in detail all hedging activities, either physical or financial, recommended by such witness during the most recent 24 months. State whether such hedging activities were implemented. State whether the hedge resulted in the person or company experiencing lower or higher natural gas prices than would otherwise be the case had there been no hedge.
13. Please describe in detail all hedging activities, either physical or financial, engaged in by Nucor during the most recent 24 months. State whether the hedge resulted in lower or higher natural gas prices than would otherwise be the case had there been no hedge.
14. Does Nucor's witness have any clients that purchase or procure any services from a railroad. If your answer is "yes", please describe in detail all railroad services purchased by such clients over the last 24 months. Please describe any and all instances in which such railroad(s) did not provide the services in accordance with the agreement between the client and the railroad. Please describe all actions the client took following such act of non-performance to cause the railroad to perform in accordance with the agreement and/or all attempts to enforce the agreement and/or any litigation pursued by the client against the railroad. Please describe the results of all: such actions to enforce the agreement; such litigation; and/or acts to compel compliance with the agreement.
15. Please describe in detail all railroad services purchased by Nucor over the last 24 months. Please describe any and all instances in which such railroad(s) did not provide the services in accordance with the agreement between Nucor and the railroad. Please describe all actions Nucor took following such act of non-performance to cause the railroad to perform in accordance with the agreement and/or all attempts to enforce the agreement and/or any litigation pursued by Nucor against the railroad. Please describe the results of all: such actions to enforce the agreement; such litigation; and/or acts to compel compliance with the agreement.
16. For each client of Nucor's witness for whom such witness provides any consulting services or advice with regard to the purchasing of coal, have any such clients

experienced any instances during the past 24 months in which the coal supplier did not provide the services in accordance with the agreement between the client and the coal supplier? Please describe any and all instances in which such coal supplier(s) did not provide the services in accordance with the agreement between the client and the coal supplier. Please describe all actions the client took following such act of non-performance to cause the coal supplier to perform in accordance with the agreement and/or all attempts to enforce the agreement and/or any litigation pursued by the client against the coal supplier. Please describe the results of all: such actions to enforce the agreement; such litigation; and/or acts to compel compliance with the agreement.

17. Has Nucor experienced any instances during the past 24 months in which a coal supplier did not provide services in accordance with the agreement between Nucor and the coal supplier? Please describe any and all instances in which such coal supplier(s) did not provide the services in accordance with the agreement between Nucor and the coal supplier. Please describe all actions Nucor took following such act of non-performance to cause the coal supplier to perform in accordance with the agreement and/or all attempts to enforce the agreement and/or any litigation pursued by Nucor against the coal supplier. Please describe the results of all: such actions to enforce the agreement; such litigation; and/or acts to compel compliance with the agreement.
18. For each client of Nucor's witness for whom such witness provides any consulting services or advice with regard to the purchasing of coal, please state the amount of coal procured under agreements that have a term of less than 1 year, with a term of more than 1 year but less than 3 years, with a term of more than 3 years but less than 5 years, with a term of more than 5 years but less than 10 years, and a term of more than 10 years. For example, your answer should be stated in the following format: Client A procures 10% of its coal requirements pursuant to agreements with terms of less than 1 year, 30% of its coal requirements pursuant to agreements with terms of more than 1 year but less than 3 years, etc. For each agreement please state whether the price of coal is fixed, tied to an index, or established in some other manner.
19. Please state the amount of coal procured by Nucor under agreements that have a term of less than one year, with a term of more than 1 year but less than 3 years, with a term of more than 3 years but less than 5 years, with a term of more than 5 years but less than 10

years, and a term of more than 10 years. For example, your answer should be stated in the following format: Nucor procures 10% of its coal requirements pursuant to agreements with terms of less than 1 year, 30% of its coal requirements pursuant to agreements with terms of more than 1 year but less than 3 years, etc. For each agreement please state whether the price of coal is fixed, tied to an index, or established in some other manner.

20. For each client of Nucor's witness for whom such witness provides any consulting services or advice with regard to the purchasing of natural gas, please state the amount of natural gas procured under agreements that have a term of less than 1 year, with a term of more than 1 year but less than 3 years, with a term of more than 3 years but less than 5 years, with a term of more than 5 years but less than 10 years, and a term of more than 10 years. For example, your answer should be stated in the following format: Client A procures 10% of its natural gas requirements pursuant to agreements with terms of less than 1 year, 30% of its natural gas requirements pursuant to agreements with terms of more than 1 year but less than 3 years, etc. For each agreement please state whether the price of natural gas is fixed, tied to an index, or established in some other manner.
21. Please state the amount of natural gas procured by Nucor under agreements that have a term of less than 1 year, with a term of more than 1 year but less than 3 years, with a term of more than 3 years but less than 5 years, with a term of more than 5 years but less than 10 years, and a term of more than 10 years. For example, your answer should be stated in the following format: Nucor procures 10% of its natural gas requirements pursuant to agreements with terms of less than 1 year, 30% of its natural gas requirements pursuant to agreements with terms of more than 1 year but less than 3 years, etc. For each agreement please state whether the price of natural gas is fixed, tied to an index, or established in some other manner.